



## TREASURER OF STATE

October 21, 2008

Friday, 21 November 2008 15:23

Minutes of the meeting of the State Board of Deposit held Tuesday October 21, 2008 at 10:00 a.m. in the Office of the Treasurer of State.

### MEMBERS PRESENT:

Richard Cordray, Treasurer of State, (Chair)

Thomas Winters, representing Attorney General Nancy Rogers

Christina Haddad, representing Auditor of State Mary Taylor

### OTHERS PRESENT:

Sue Hamilton, Treasurer of State

Jennifer Day, Treasurer of State

Chris Glaros, Treasurer of State

Jonathan Vega, Treasurer of State

Bob Newman, Treasurer of State

Amer Ahmad, Treasurer of State

Holly Hollingsworth, Treasurer of State

Noah Blundo, Hannah News Service

Stacey Cumberlander, Secretary

Amy Mirando, Treasurer of State

The Secretary of the State Board of Deposit has complied with section 135-1-01 of the Administrative Code concerning notice of the meetings of the State Board of Deposit.

The minutes from the September 29, 2008 meeting were amended to reflect Ms. Hamilton, representing Treasurer Cordray, asking for a motion to ratify the interim funds for August 2008 for \$3,498,715,483.59. Treasurer Cordray moved that the reading of the amended minutes of the State Board of Deposit meeting held September 29, 2008 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Haddad approved and Mr. Winters seconded. The motion carried.

OLD BUSINESS

There was no old business to come before the Board.

## NEW BUSINESS

### ECONOMIC OUTLOOK / INVESTMENT

Investment Director Bob Newman presented an overview of the investment philosophy. The Federal Funds rate is at 1.50%. On October 16, 2008 the Federal Funds options market reflected a 66.50% chance of a decrease from the 1.50% rate at the October 29, 2008 meeting. The Federal Funds rate is forecasted to remain flat through March 2009. Core CPI is the primary measure of inflation. There continues to be a decline in the housing market month after month. The Mortgage Bankers Association reported in October 2008 that new loan applications for home purchases and refinancing increased 5.1% for the week ending October 10, 2008. The foreclosure crisis continues to have an impact on the economy. The national unemployment rate for September 2008 was reported at 6.1% which is the highest national jobless rate since August 2003. It is our belief that the recent credit market turmoil will continue to slow aggregate economic growth in the U.S. through the remainder of 2008 and early 2009. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

Also under new business the following bank was presented to the Board to become an interim state depository:

First National Bank Orrville Orrville, Ohio

There was a motion to approve this bank. Mr. Winters approved and Ms. Haddad seconded. Motion carried.

### RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$4,059,943,566.85 as interim funds for September 2008. Mr. Winters approved and Ms. Haddad seconded. Motion carried.

### CERTIFICATION OF BOARD EXPENSES

In accordance with Section 135.02 of the Ohio Revised Code, the Chairman and the Secretary of the State Board of Deposit certified that the necessary expenses of the Board which represent KeyBank regular banking fees for September 2008 were \$77,713.09. KeyBank Trust banking fees for September 2008 were \$9,598.33. Fifth Third banking fees (DNR Wapakoneta) were \$96.67 for September 2008. Fifth Third banking fees for DNR Maumee Bay for September 2008 were \$82.24. KeyBank banking fees for (State Highway Patrol Drop) for September 2008 were

\$485.20. US Bank banking fees were \$172.20 for September 2008. Board of Deposit audit fees for September 2008 were \$10,509.00. Ms. Haddad authorized the Chairman to pay these expenses from the appropriations for that purpose. Mr. Winters seconded.

There being no further business to come before the Board, Treasurer Cordray moved to adjourn. Motion carried. Meeting adjourned.

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RICHARD CORDRAY, TREASURER OF STATE  
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST \_\_\_\_\_  
SECRETARY

ATTORNEY GENERAL \_\_\_\_\_

AUDITOR OF STATE \_\_\_\_\_